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## For-Profit Hospitals Poised to Serve in an Anchor Role to Support their Communities

### Key Findings

- For-profit hospitals are more likely to be in counties with significant economic and physical health needs.
- For-profit hospitals are in counties with higher unemployment, higher uninsurance rates and more residents reporting poor or fair health, compared to nonprofit hospitals.
- Counties with for-profit hospitals had, on average, a lower median income.
- For-profit hospitals are less likely to be in states with certificate-of-need laws or in states that have expanded Medicaid.

### The Question:

Do for-profit hospitals serve in an anchor role, and invest in the social, economic, and health development of their local communities?

Hospitals serve as prominent public health partners in U.S. communities and make contributions to bolster population health and improve economic conditions. Although more than half of hospitals nationwide are nonprofit, for-profit hospitals are growing in number and compose approximately a quarter of hospitals. Large institutions like hospitals and universities are described as ‘anchor institutions’ in that they are deeply embedded within the economic infrastructure of a community, and they play a role in improving community life. While hospitals in general have been discussed as having the potential to be anchor institutions, only nonprofits have been typically described as such. The result is that very little literature exists on the public health potential of for-profit institutions.

Cory Cronin and Berkeley Franz, assistant professors at Ohio University, sought to understand the potential impact of for-profit hospitals serving in an anchor role, particularly if these organizations were willing to undertake new investments in community health. They used 2017-2018 data from the United States Census American Community Survey, the Area Health Resource File, and the American Hospital Association (AHA) Annual Survey. They calculated descriptive statistics and a multivariate regression model to assess economic and health characteristics for all U.S. counties that contain for-profit as compared to nonprofit or public hospitals. They also sought to provide insight into the economic and health needs in the counties where different types of hospitals are located. Full study details and findings are available in [Preventive Medicine Reports](#).

### The Implications:

Given their location in counties with high economic and health needs, for-profit hospitals have significant potential to impact population health.

Though the data do not provide any indication as to why for-profit hospitals are more likely to be in counties with high economic and health needs, it is possible that for-profit hospitals enter counties when other hospitals have failed, potentially due to poor economic and physical health which may make services less profitable. As a result, there is substantial opportunity for for-profit hospitals to serve as anchor institutions in many U.S. communities, despite this label more traditionally being applied to nonprofit hospitals, as for-profit hospitals can also: provide jobs to local residents, incentivize their employees to live nearby and support the local economy, and acquire hospital supplies from local businesses. While this does not mean that for-profits are currently doing this work, these institutions should be considered as possible partners in population health improvement initiatives, especially cross-sector partnerships. Following previous research on community health investments, the tax status of hospitals may not be the only or most important factor in assessing their potential contributions to population health. Given that there is not currently a regular reporting mechanism for documenting the community health contributions of for-profit hospitals, policymakers and researchers should evaluate the current state of these contributions and identify incentives to encourage more anchor activities to benefit economically vulnerable communities in the U.S.

### Contact Us:

For more information on the results from this grant, please contact Dr. Cory Cronin at [croninc@ohio.edu](mailto:croninc@ohio.edu) or Dr. Berkeley Franz at [franzb@ohio.edu](mailto:franzb@ohio.edu).

If you would like to learn more about related work, please contact: Megan Collado, M.P.H., Director, AcademyHealth | [megan.collado@academyhealth.org](mailto:megan.collado@academyhealth.org)



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